



A State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 15, 2008

Jim Carr, Controller
Lender Support Systems, Inc.
13475 Danielson Street, #220
Poway, CA 92064

Dear Mr. Carr:

RE: **Final MONITORING VISIT REPORT for Lender Support Systems Retraining SB ET07-0400**

Date of the Visit:	4/24/08
Beginning/Ending Time:	1:00pm – 2:00pm
Date of Last Visit:	9/21/07
Visit Location:	Via Teleconference
Persons in attendance:	Jim Carr, Controller; Lender Support Systems, Inc. (LSSI); and Suzanne Godin, ETP Contract Specialist
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	6/04/07-6/03/08	Agreement Amount:	\$44,200
Training Start Date:	6/19/07	No. to Retain:	25
Date Training must be Completed:	3/03/08	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	68

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

This agreement was approved at the May 2007 Panel Meeting and was executed on 6/18/07. Training began on 6/26/07. You reported that all training was completed on 8/03/07 which allowed for the 90-day retention period to be completed within the term ending date of the Agreement.

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5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
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www.etp.ca.gov
ETP (04/15/05)

INTERVIEW WITH THE CONTRACT REPRESENTATIVE: JIM CARR

LSSI develops custom computer programming software for the mortgage lending industry. Less than one month after training began on LSSI's ETP project, the mortgage industry began its downward spiral. LSSI's biggest customers closed their doors and the situation continued to worsen as mortgage industry defaults skyrocketed and residential housing starts dramatically decreased. The loss of major accounts forced the company to begin downsizing in August 2007. By the end of 2007 your employee count had decreased from 27 to 13 full time workers. You elected not to terminate the ETP program because you thought that the economic downturn would level off and that LSSI would be able to resume ETP training. Although that did not occur, the layoffs in 2007 did allow LSSI to contain and stabilize costs. You added that the company was currently exploring the possibility of entering into strategic partnerships with other companies in order to generate more business.

DISCUSSION OF PROJECTED EARNINGS:

You provided Ms. Godin with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expected to retain a total of 4 trainees (16% of planned retentions) who had completed the specified range of class/lab hours (8-60) and retention period. LSSI tracked 75.5 eligible hours on the ETP class/lab tracking system for the aforementioned 4 trainees. Therefore, LSSI is eligible to earn \$1,976 (5 percent of the encumbered amount) if all other agreement conditions are met. As of the date of this report, LSSI had received \$1,768 in unearned progress payments.

Ms. Godin reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement, which is 6/030/8. If you are unable to submit the closeout invoice by that date, a request for an extension must be submitted to ETP's Fiscal Unit Manager, Kulbir Mayall.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	20	Completed Training:	5
Trainees Enrolled:	26	Completed Retention:	4
Dropped Following Enrollment:	0	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	5		

TRAINING STATUS:

The statistical data submitted by you during this visit, as detailed above, agreed with the information contained on ETP's Trainee Status Report.

INVOICES:

Ms. Godin assisted you in the submission of Invoice 2 for Progress Payment 2 (completion of training) and invoice 3 (Final Payment) for 4 trainees. The analyst compared the hours and dates on the class/lab attendance rosters to the information reported on the contractor's tracking documents in order to validate the hours for these trainees before submittal of the invoices.

Documentation reviewed was consistent with information reported on Invoice	1, 2, 3,	Yes
Progress Payment	1, 2	Yes
Final Payment	-	Yes

AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

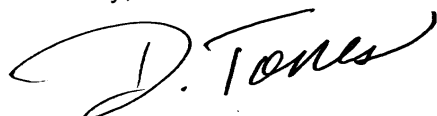
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Amber Luiz, Assistant Director
Kulbir Mayall, Fiscal Manager
Master File

Project File